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8
9 **UNITED STATES BANKRUPTCY COURT**
10 **NORTHERN DISTRICT OF CALIFORNIA**
11 **SAN FRANCISCO DIVISION**

12 **In re:**

13 **PG&E CORPORATION,**

14 **- and -**

15 **PACIFIC GAS AND ELECTRIC**
16 **COMPANY,**

17 **Debtors.**

- 18 ☐ Affects PG&E Corporation
19 ☐ Affects Pacific Gas and Electric Company
☒ Affects both Debtors

20 ** All papers shall be filed in the Lead Case, No.*
21 *19-30088 (DM).*

Bankruptcy Case No. 19-30088 (DM)

Chapter 11

(Lead Case) (Jointly Administered)

**REORGANIZED DEBTORS' ONE
HUNDREDTH OMNIBUS OBJECTION TO
CLAIMS (THIRD-PARTY CLAIMS)**

Response Deadline:
September 15, 2020, 4:00 p.m. (PT)

Hearing Information If Timely Response Made:

Date: September 29, 2020

Time: 10:00 a.m. (Pacific Time)

Place: (Tele/Videoconference Appearances Only)

United States Bankruptcy Court

Courtroom 17, 16th Floor

San Francisco, CA 94102

1 **TO: (A) THE HONORABLE DENNIS MONTALI, UNITED STATES BANKRUPTCY**
2 **JUDGE; (B) THE OFFICE OF THE UNITED STATES TRUSTEE; (C) THE AFFECTED**
3 **CLAIMANTS; AND (D) OTHER PARTIES ENTITLED TO NOTICE:**

4 PG&E Corporation (“**PG&E Corp.**”) and Pacific Gas and Electric Company (the “**Utility**”), as
5 debtors and reorganized debtors (collectively, “**PG&E**” or the “**Debtors**” or as reorganized pursuant to
6 the Plan (as defined below), the “**Reorganized Debtors**”) in the above-captioned chapter 11 cases (the
7 “**Chapter 11 Cases**”) hereby submit this One Hundredth Omnibus Objection (the “**Objection**”) to the
8 Proofs of Claim (as defined below) identified in the columns headed (i) “Claim/Schedule To Be Reduced
9 or Disallowed” on **Exhibit 1** annexed hereto, (ii) “Claims To Be Disallowed and Expunged” on
10 **Exhibit 2** annexed hereto, and (iii) “Claims To Be Expunged” on **Exhibit 3** annexed hereto.

11 **I. JURISDICTION**

12 This Court has jurisdiction over this Objection under 28 U.S.C. §§ 157 and 1334; the *Order*
13 *Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General Order 24 (N.D. Cal.); and
14 Rule 5011-1(a) of the Bankruptcy Local Rules for the United States District Court for the Northern
15 District of California (the “**Bankruptcy Local Rules**”). This matter is a core proceeding pursuant to 28
16 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The
17 statutory predicates for the relief requested are section 502 of Title 11 of the United States Code (the
18 “**Bankruptcy Code**”) and Rule 3007 of the Federal Rules of Bankruptcy Procedure (collectively, the
19 “**Bankruptcy Rules**”).

20 **II. BACKGROUND**

21 On January 29, 2019 (the “**Petition Date**”), the Debtors commenced with the Court voluntary
22 cases under chapter 11 of the Bankruptcy Code. Prior to the Effective Date (as defined below), the
23 Debtors continued to operate their businesses and manage their properties as debtors in possession
24 pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner was appointed
25 in either of the Chapter 11 Cases. The Chapter 11 Cases are being jointly administered for procedural
26 purposes only pursuant to Bankruptcy Rule 1015(b).

27 Additional information regarding the circumstances leading to the commencement of the Chapter
28 11 Cases and information regarding the Debtors’ businesses and capital structure is set forth in the

1 *Amended Declaration of Jason P. Wells in Support of the First Day Motions and Related Relief* [Docket
2 No. 263].

3 On July 1, 2019, the Court entered the *Order Pursuant to 11 U.S.C. §§ 502(b)(9) and 105(a),*
4 *Fed. R. Bankr. P. 2002, 3003(c)(3), 5005, and 9007, and L.B.R. 3003-1 (I) Establishing Deadline for*
5 *Filing Proofs of Claim, (II) Establishing the Form and Manner of Notice Thereof, and (III) Approving*
6 *Procedures for Providing Notice of Bar Date and Other Information to All Creditors and Potential*
7 *Creditors* [Docket No. 2806] (the “**Bar Date Order**”). The Bar Date Order set the deadline to file all
8 proofs of claim (each, a “**Proof of Claim**”) in respect of any prepetition claim (as defined in section
9 101(5) of the Bankruptcy Code), including all claims of Fire Claimants (as defined therein), Wildfire
10 Subrogation Claimants (as defined therein), Governmental Units (as defined in section 101(27) of the
11 Bankruptcy Code), and Customers, and for the avoidance of doubt, including all secured claims and
12 priority claims, against either of the Debtors as October 21, 2019 at 5:00 p.m. Pacific Time (the “**Bar**
13 **Date**”). The Bar Date later was extended solely with respect to unfiled, non-governmental Fire
14 Claimants to December 31, 2019 [Docket No. 4672]¹; and subsequently with respect to certain claimants
15 that purchased or acquired the Debtors’ publicly held debt and equity securities and may have claims
16 against the Debtors for rescission or damages to April 16, 2020 [Docket No. 5943].

17 By Order dated June 20, 2020 [Dkt. No. 8053], the Bankruptcy Court confirmed the *Debtors’*
18 *and Shareholder Proponents’ Joint Chapter 11 Plan of Reorganization Dated June 19, 2020* (as may be
19 further modified, amended or supplemented from time to time, and together with any exhibits or
20 scheduled thereto, the “**Plan**”). The Effective Date of the Plan occurred on July 1, 2020 (the “**Effective**
21 **Date**”). See Dkt. No. 8252.

22 **III. RELIEF REQUESTED**

23 The Reorganized Debtors file this Objection, pursuant to section 502 of the Bankruptcy Code,
24 Bankruptcy Rule 3007(d)(5), Bankruptcy Local Rule 3007-1, and the *Order Approving (A) Procedures*
25 *for Filing Omnibus Objections to Claims and (B) the Form and Manner of the Notice of Omnibus*
26 *Objections*, dated June 30, 2020 [Docket No. 8228] (the “**Omnibus Objections Procedures Order**”),

27 ¹ The claims of Fire Claimants will be administered through the Fire Victim Trust and the claims of
28 Wildfire Subrogation Claimants through the Subrogation Wildfire Trust in accordance with the Plan.

1 seeking entry of an order either reducing, expunging, or disallowing and expunging Proofs of Claim for
2 which the Reorganized Debtors are not liable (the “**Third-Party Claims**”). After reviewing their books
3 and records and the limited information submitted with the Proofs of Claim, the Reorganized Debtors
4 have determined that each of the Third-Party Claims either (i) asserts a Claim seeking payment of
5 amounts for which the Reorganized Debtors are not liable and/or the Reorganized Debtors are unable to
6 determine any liability or basis for the asserted Claims, or (ii) seeks payment of amounts that arose after
7 the Petition Date that are not due and payable and, to the extent allowed, will be paid in the ordinary
8 course in accordance with Section 2.1 of the Plan.

9 Each of the Claimants on **Exhibit 1**, **Exhibit 2**, and **Exhibit 3** is listed alphabetically, and the
10 claim number and amount are identified in accordance with Bankruptcy Rule 3007(e). Furthermore, in
11 accordance with the Omnibus Objections Procedures Order, the Reorganized Debtors have sent
12 individualized notices to the holders of each of the Third-Party Claims.

13 **IV. ARGUMENT**

14 **A. The Books and Records Claims and Reduced and Allowed Claim** 15 **Should be Disallowed and Expunged or Allowed in the Reduced** 16 **Claim Amount**

17 The Books and Records Claims identified on **Exhibit 1** are Proofs of Claim that seek an amount
18 that contradicts the Reorganized Debtors’ books and records. The Reorganized Debtors have
19 determined, based on a review of their books and records, the Proofs of Claim, and any additional
20 information provided by the holder of the Books and Records Claims, that the Books and Records Claims
21 assert liabilities for which the Reorganized Debtors are not liable. In some instances, the holder of the
22 Books and Records Claim has agreed with the Reorganized Debtors that it does not hold a valid Claim
23 against the Reorganized Debtors, but failed to follow the procedures to withdraw their Proof of Claim
24 when instructed to do so.

25 The Reorganized Debtors request that the Books and Records Claims be disallowed and
26 expunged in their entirety.

27 The Reduced and Allowed Claim identified on **Exhibit 1** is Proof of Claim No. 7289 filed by
28 Philip T. Gonsalves, which was asserted in an unliquidated amount for “personal injury hearing aids.”
Although the Debtors believe that they are not liable for this Claim, they engaged the Claimant in

1 settlement efforts pursuant to the *Order Approving ADR and Related Procedures for Resolving General*
2 *Claims*, dated September 25, 2020 [Docket No. 9148] (the “**ADR Procedures Order**”). On May 3,
3 2021, the Reorganized Debtors received a signed response to a Settlement Offer (as defined in the ADR
4 Procedures Order) from Mr. Gonsalves, accepting the Reorganized Debtors’ offer to settle his claim for
5 \$100. Since that time, the Reorganized Debtors have attempted to contact Mr. Gonsalves to finalize the
6 settlement with a fully-executed settlement agreement, but there has been no other communication from
7 Mr. Gonsalves, and Mr. Gonsalves has not returned the signed settlement agreement necessary to
8 formally resolve his Claim. The amount listed in **Exhibit 1** reflects the amount that the Reorganized
9 Debtors agreed to pay, based upon Mr. Gonsalves’s acceptance of the settlement offer.

10 The Reorganized Debtors request that the Reduced and Allowed Claim be allowed in the amount
11 listed in the “Reduced Amount” row, and disallowed to the extent in excess of that amount.

12 **B. The Damage Not Caused By PG&E Claims and the Barred By Statute**
13 **of Limitations Claims Should Be Disallowed and Expunged**

14 The Damage Not Caused by PG&E Claims identified on **Exhibit 2** are Proofs of Claim where
15 the Reorganized Debtors, after reviewing their books and records and any information submitted in
16 connection with the Proofs of Claim, have determined that the harm or damage described in the Proof of
17 Claim was not caused by the Debtors. Accordingly, the Reorganized Debtors have determined they are
18 not liable for these amounts and the corresponding Proofs of Claim should be disallowed and expunged
19 in their entirety.

20 **C. The Post-Petition Claims Should Be Expunged**

21 The Post-Petition Claim identified on **Exhibit 3** asserts a Claim for amounts that arose after the
22 Petition Date and, thus, does not represent a prepetition liability of the Debtors subject to payment
23 through the chapter 11 claims process. Pursuant to Section 2.1 of the Plan, any Allowed Administrative
24 Expense Claim that is not due and payable prior to the Effective Date, shall be paid by the Debtors or
25 the Reorganized Debtors, as applicable, in the ordinary course of business, consistent with past practice
26 and in accordance with the terms and subject to the conditions of any orders or agreements governing,
27 instruments evidencing, or other documents establishing, such liabilities. Accordingly, there is nothing
28 for this Court to resolve with respect to any such Claims and any Proofs of Claim filed on account of

1 such Claims should be expunged and the asserted claims may be resolved in the ordinary course of
2 business.

3 **D. The Claimants Bear the Burden of Proof**

4 A filed proof of claim is “deemed allowed, unless a party in interest . . . objects.” 11 U.S.C.
5 § 502(a).² Section 502(b)(1) of the Bankruptcy Code, however, provides in relevant part that a claim
6 may not be allowed if “such claim is unenforceable against the debtor and property of the debtor, under
7 any agreement or applicable law.” 11 U.S.C. § 502(b)(1). Once the objector raises “facts tending to
8 defeat the claim by probative force equal to that of the allegations of the proofs of claim themselves,”
9 *Wright v. Holm (In re Holm)*, 931 F.2d 620, 623 (9th Cir. 1991), quoting 3 L. King, *Collier on*
10 *Bankruptcy* § 502.02 at 502-22 (15th ed. 1991), then “the burden reverts to the claimant to prove the
11 validity of the claim by a preponderance of the evidence,” *Ashford v. Consolidated Pioneer Mortgage*
12 *(In re Consolidated Pioneer Mortgage)* 178 B.R. 222, 226 (B.A.P. 9th Cir. 1995) (quoting *In re*
13 *Allegheny Int’l, Inc.*, 954 F.2d 167, 173-74 (3d Cir. 1992)), *aff’d without opinion* 91 F.3d 151 (9th Cir.
14 1996). “[T]he ultimate burden of persuasion is always on the claimant.” *Holm*, 931 F.2d at 623 (quoting
15 King, *Collier on Bankruptcy*); *see also Lundell v. Anchor Constr. Specialists, Inc.*, 223 F.3d 1035, 1039
16 (9th Cir. 2000); *Spencer v. Pugh (In re Pugh)*, 157 B.R. 898, 901 (B.A.P. 9th Cir. 1993); *In re Fidelity*
17 *Holding Co.*, 837 F.2d 696, 698 (5th Cir. 1988).

18 As set forth in Section IV.A above, the Reorganized Debtors are not liable on any of the Books
19 and Records Claims, and are not liable on the Reduced and Allowed Claim beyond the “Reduced Claim
20 Amount” listed on **Exhibit 1**, and they deny any liability in excess of the Reduced Claim Amount. On
21 that basis, the Reorganized Debtors submit that the Books and Records Claims should be disallowed and
22 expunged in their entirety, and the Reduced and Allowed Claim should be allowed in its Reduced Claim

23
24 ² Upon the Reorganized Debtors’ request, the deadline under Section 7.1 of the Plan for the
25 Reorganized Debtors to bring objections to Claims initially was extended through and including June
26 26, 2021 (except for Claims of the United States, which deadline was extended to March 31, 2021)
27 [Docket No. 9563]. That deadline has been further extended through December 23, 2021, except for
28 Claims of the California Department of Forestry and Fire Protection, which deadline was extended to
September 30, 2021, without prejudice to the right of the Reorganized Debtors to seek further
extensions thereof [Docket No. 10494]. The deadline with respect to Claims of the United States have
twice been further extended by stipulation and order [Docket Nos. 10459, 10463, 10983, and 10986].

1 Amount and disallowed as to any and all amounts in excess thereof. If any Claimant believes that it is
2 owed anything, and, in the case of the holder of the Reduced and Allowed Claim, if such Claimant
3 believes that it is owed more than the Reduced Claim Amount, they must present affirmative evidence
4 to establish their entitlement to such amounts.

5 As set forth in Section IV.B above, the Reorganized Debtors submit that the Damage Not Caused
6 By PG&E Claims do not represent a current right to payment and, therefore, should be disallowed and
7 expunged in their entirety. If any Claimant believes that a Damage Not Caused By PG&E Claim is valid
8 or otherwise represents a current right to payment, it must present affirmative evidence demonstrating
9 the validity of that claim.

10 As set forth in Section IV.C above, the Reorganized Debtors submit that the Post-Petition Claims
11 pass through these Chapter 11 Cases and, therefore, should be expunged.

12 **V. RESERVATION OF RIGHTS**

13 The Reorganized Debtors hereby reserve the right to object, as applicable, in the future to any of
14 the Proofs of Claim listed in this Objection on any ground, and to amend, modify, or supplement this
15 Objection to the extent an objection to a claim is not granted, and to file other objections to any proofs
16 of claims filed in these cases, including, without limitation, objections as to the amounts asserted therein,
17 or any other claims (filed or not) against the Debtors, regardless of whether such claims are subject to
18 this Objection. A separate notice and hearing will be scheduled for any such objections. Should the
19 grounds of objection specified herein be overruled or withdrawn, wholly or in part, the Reorganized
20 Debtors reserve the right to object to the Third-Party Claims on any other grounds that the Reorganized
21 Debtors may discover or deem appropriate.

22 **VI. NOTICE**

23 Notice of this Objection will be provided to (i) holders of the Third-Party Claims; (ii) the Office
24 of the U.S. Trustee for Region 17 (Attn: Andrew R. Vara, Esq. and Timothy Laffredi, Esq.); (iii) counsel
25 to the Creditors Committee; (iv) counsel to Tort Claimants Committee; (v) all counsel and parties
26 receiving electronic notice through the Court's electronic case filing system; and (vi) those persons who
27 have formally appeared in these Chapter 11 Cases and requested service pursuant to Bankruptcy Rule
28 2002. The Reorganized Debtors respectfully submit that no further notice is required. No previous

1 request for the relief sought herein has been made by the Reorganized Debtors to this or any other Court.

2 WHEREFORE the Reorganized Debtors respectfully request entry of an order granting (i) the
3 relief requested herein as a sound exercise of the Reorganized Debtors' business judgment and in the
4 best interests of their estates, creditors, shareholders, and all other parties' interests, and (ii) such other
5 and further relief as the Court may deem just and appropriate.

6 Dated: August 19, 2020

KELLER BENVENUTTI KIM LLP

7 By: /s/ Thomas B. Rupp
8 Thomas B. Rupp

9 *Attorneys for Debtors and Reorganized Debtors*